GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:4900
ANSWERED ON:10.05.2007
PRIVATE SECTOR UNITS IN FPI
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Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) the private sector units set up in the country particularly in West Bengal and Sikkim for food processing;

(b) the total investment in the food processing sector; and

(c) the other steps taken or being taken by the Government to boost the growth of food processing industry in these States?

Answer

MINISTER OF THE STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI)

(a) to (c): The Ministry of Food Processing Industries (MFPI) under its Plan Scheme for Technology Upgradation/Modernization/ Establishment of Food Processing Industries extends financial assistance to implementing agencies/entrepreneurs for setting up/ modernization/ technology upgradation of food processing industries in the country in the form of grant-in-aid @ 25% of the cost of Plant & Machinery and Technical Civil Works subject to a maximum of Rs. 50 lakhs in general areas or 33.33% subject to a maximum of Rs.75 lakhs in difficult areas including North−Eastern States and Sikkim. Under the Mini Mission IV of Technology Mission for Integrated Development of Horticulture, in North Eastern States including Sikkim, J&K, Uttarakhand and Himachal Pradesh assistance at still higher rates @50% upto Rs. 4 crore for promotion of new units and upto Rs.1 crore for upgradation/modernization of units is available for processing of horticultural produce. During the last five years i.e. from 2002-03 to 2006-07, grant of Rs.22644.69 lakhs was disbursed under the Scheme by MFPI. This includes Rs.1183.26 lakhs for West Bengal. No food processing unit in Sikkim availed MFPI grant under the Scheme. According to Ministry of Small Scale Industries, the information regarding registered and unregistered food processing units in West Bengal and Sikkim, as per 3rd Census (2001-02) on Small Scale Industry, is as below:

Category	Total No. of working units (Food Processing)	Total Market Value of Assets in Rs.Lakhs
Registered		
1.Sikkim	67	203.35
2.West Bengal	60	17417.56
Unregistered		
1.Sikkim	09	9.00
2.West Bengal	19525	77440.38

As per the Industrial Entrepreneurs (IEMs) filed and Letters of Intent (LOIs/ Direct Industrial Licenses (DILs) issued by the Department of Industrial Policy & Promotion, a total of 758 food processing units has been proposed to be set up in the country at an investment cost of Rs.8474 crores, during the last three years as per details given below:

Year	Number of Proposed units	investment (Rs. in Crore)
2004	241	2047
2005	247	3072
2006	270	3355

Total 758 8474

Further, 3417 IEMs with a proposed investment of Rs.40,258 crores have been filed and 89 LOIs/DILs have been issued with proposed investment of Rs.2299 crores under food processing industries in the country since August 1991 to September 2006.

The Government has been implementing various other Plan schemes for promotion and development of food processing industries in the country including West Bengal and Sikkim. Under these schemes financial assistance in the form of grant−in −aid is provided for Development of Infrastructure, Human Resource Development, Promotion of Quality Assurance, Codex Standards and R & D and other promotional measures to encourage development of the food processing industries. Under these schemes, 10% allocation is earmarked for North-Eastern States including Sikkim. Further, various tax and other fiscal incentives and reliefs such as excise/customs duty reduction/exemption are provided for giving boost to food processing sector.